

# COLORADO PROPERTY TAX

## OVERVIEW

The Colorado property tax system provides revenue exclusively for local government services. The largest share of property tax revenue (50.2 percent) goes to support the state's public schools. County governments claim the next largest share (25.2 percent), followed by special districts (18.1 percent), municipal governments (5.3 percent), and junior colleges (1.2 percent).

The authority for property taxation is both constitutional and statutory. Article X of the Colorado Constitution provides that all property is taxable unless declared exempt by the Constitution, and that the actual value of taxable property shall be determined under the general laws to secure just and equalized valuations. The specific statutes pertaining to property taxation are found in Title 39, Articles 1 through 14, Colorado Revised Statutes.

Under the general laws of Colorado, county assessors are required to value all taxable property within their county boundaries. The State Board of Equalization (state board) has supervision over the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes. The Division of Property Taxation (Division), under direction of the Property Tax Administrator (administrator), coordinates the implementation of property tax laws throughout Colorado's sixty-four counties.

Revenue derived from 2008 property taxes (payable 2009) will increase statewide for every local government type. Table 1 lists the percentage increases in property tax revenue between taxes payable in 2008 and taxes payable in 2009. The combined revenue increase from taxes payable in 2009 is 2.6 percent.

TABLE 1

Tax Years 2007-2008	
Taxing Entity	% Increase
School District K-12	1.75%
Junior Colleges	3.36%
Counties	1.55%
Municipalities	3.66%
Special Districts	6.33%
<b>Combined Increase</b>	<b>2.62%</b>

In 2007, the General Assembly amended § 22-54-106(2), C.R.S., to freeze the total program mill levies certified annually by school districts. The mill levy freeze, when implemented, applied to 174 of the state's 178 school districts that had previously approved broadly worded ballot issues waiving the revenue limits of Article X, Section 20 of the Colorado Constitution (TABOR). The remaining four districts excluded from the change are Colorado Springs, Harrison, Cherry Creek and Steamboat Springs. Over time, the mill levy freeze is intended to restore the percentage of school total program funding from property tax revenue to levels that existed prior to the passage of Section 20, Article X of the Colorado Constitution (TABOR).

Note: On March 16, 2009, the Colorado Supreme Court issued a determination that the mill levy freeze is constitutional.

## STATE BOARD OF EQUALIZATION

The State Board of Equalization consists of the Governor, the President of the Senate, the Speaker of the House of Representatives, or their designees, and two members appointed by the Governor with consent of the Senate. Each appointed member must be a qualified appraiser, a former assessor, or a person who has knowledge and experience in property taxation. The state board members for 2008 were Lyle C. Kyle, Chairperson and appointee of the Governor; Charles Brown, Vice-Chairman and appointee of the Governor; Craig R. Welling, designee of Governor Bill Ritter, Jr.; Sharon R. Bailey, Ph.D., designee of Peter Groff, President of the Senate; and Representative Joel Judd, designee of Andrew Romanoff, Speaker of the House of Representatives.

## Duties and Responsibilities

The state board supervises the administration of property tax laws and the equalization of the values of classes and subclasses of taxable property. Duties of the state board are found primarily in Article X, Sections 3 and 15 of the Colorado Constitution and in Title 39, Articles 1 and 9, Colorado Revised Statutes.

Among its duties, the state board reviews the findings and conclusions of the annual study contractor and orders reappraisals in counties found not in compliance. The annual study was initiated by a 1982 amendment to the

Colorado Constitution to ensure that all assessors value property at the same level of value, using standardized procedures and statistical measurements. The study is conducted by an independent auditing firm contracted by the Director of Research, Colorado Legislative Council, § 39-1-104(16), C.R.S. The study and the resulting orders of reappraisal are the primary means of achieving statewide equalization.

The importance of the state board's equalization function is due in part to the relationship that exists between assessed values and state aid to schools. Generally, if the property in a school district is under-assessed, it is likely that the district will receive more state revenue than it is entitled. When the results of a reappraisal order indicate that the affected school district(s) received too much state revenue, the state board will order the county (not the school district) to pay back the excess funding. During the 1980s and early 1990s, this occasionally required the repayment of substantial revenue to the state. In more recent years, significant improvements in the quality of county assessments have resulted in far fewer reappraisal orders and smaller repayments of excess state aid to schools.

The state board also reviews county Abstracts of Assessment, decisions of county boards of equalization (county boards) and the policies and recommendations of the Property Tax Administrator.

## **STATE BOARD ENFORCEMENT**

The following is a brief history of recent enforcement actions by the State Board of Equalization.

### **2008 Enforcement and Repayment**

On October 8, 2008, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on these findings, the state board issued no orders of reappraisal.

They also reviewed the status of their 2005 recommendation for Jackson County. The 2005 recommendation asked Jackson County to implement a five-year cycle for physical inspections of rural outbuildings. The Jackson County Assessor indicated that she only had four physical inspections left to complete the project.

### **2007 Enforcement and Repayment**

On October 10, 2007, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on these findings, the state board issued no orders of reappraisal. They did, however, review the status of a prior reappraisal order given to Costilla County.

On October 11, 2006, the state board determined that the 2005 ordered reappraisal of single-family residential property was successfully completed by Costilla County, and ordered the county to payback the state aid to schools as well as the supervision reimbursement costs by the end of 2007. At the October 2007 state board hearing, the Costilla County Deputy Assessor provided the state board with a document detailing the County's 2007 expenditures. Although the entire \$17,964.97 had not yet been spent, the remaining portion was slated to be used for education of assessor personnel and a list of proposed courses was submitted.

The board reviewed the progress of their 2005 recommendations for both Rio Grande and Jackson Counties. The state board's 2005 recommendation asked Rio Grande County to determine the productive capability of agricultural land by implementing the National Resource Conservation Service (NRCS) soil survey by 2007 for 2008. At the 2007 hearing, it was reported the county completed the soil survey. This was verified by Carl Ross of Rocky Mountain Valuation Specialists, Inc.

The state board also reviewed Jackson County's progress toward implementing a five-year cycle for physical inspections of rural outbuildings. The Jackson County Assessor indicated that as of October 10, 2007, 45 percent of the inspections had been completed.

### **2006 Enforcement and Repayment**

On October 11, 2006, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on these findings, the board issued no orders of reappraisal. They did, however, review the results of the reappraisal order given to Costilla County in 2005 for all single-family residential properties in the county. The board determined that the reappraisal

was successfully completed, and ordered the county to make the following payback and reimbursement.

<b>County</b>	<b>Supervision Reimbursement</b>	<b>State Aid To Schools Payback</b>
Costilla	\$17,964.97	\$968.09*

\* + interest on state aid payback based on the rate set by the Colorado Banking Commissioner, which can be reduced by three percent under the authority of the state board.

The board approved Costilla County's request to repay the excess state equalization payments to schools by the end of 2007. In addition, the state board approved a reduction of three percentage points, resulting in an interest rate of six percent.

The board also approved the county's request to employ the "Bledsoe Plan" for the repayment of the supervision costs allowing the county to choose an alternative method of repaying the costs associated with the state's supervision of the reappraisal. The Bledsoe Plan authorizes counties to increase the assessor's budget by the supervision reimbursement money for expenditures that will enhance their operational effectiveness.

### **2005 Enforcement and Repayment**

On October 11, 2005, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council. Based on the findings, the state board issued a reappraisal order for the single-family residential property subclass in Costilla County. The board recommended that Rio Grande County comply with a procedural requirement to use a soil survey conducted by the United States Natural Resource Conservation Service (NRCS) when classifying and valuing agricultural land, and it recommended that Jackson County submit a plan for detailing the methodologies and time frames the county will use to physically inspect agricultural outbuildings.

The board also reviewed the results of a reappraisal order issued to Fremont County in 2004. Pursuant to the reappraisal, it ordered the repayment of excess state aid to schools and ordered the repayment of the cost of supervising the reappraisal.

The county commissioners requested the state board allow them to apply the

supervision reimbursement money to the assessor's budget for 2006. The alternate repayment method, referred to as the "Bledsoe Plan" authorizes counties to increase the assessor's budget by the supervision reimbursement money for expenditures that will enhance their operational effectiveness. The county requested the funds be used to purchase a variety of computers, various types of software and maps. The board approved the county's request to employ the "Bledsoe Plan" for the repayment of the supervision costs.

The board approved Fremont County's request to repay the excess state equalization payments to schools by the end of 2006. The state board approved a reduction of three percentage points, resulting in an interest rate of four percent.

<b>County</b>	<b>Supervision Reimbursement</b>	<b>State Aid To Schools Payback</b>
Fremont	\$54,751	\$131,263

+ interest on state aid payback based on the rate set by the Colorado Banking Commissioner, which can be reduced by three percent under the authority of the state board.

### **2004 Enforcement and Repayment**

On October 4, 2004, the state board met to review the findings and conclusions of Rocky Mountain Valuation Specialists, Inc., annual study contractor for Legislative Council.

After considering all evidence and testimony, the state board concluded that the Fremont County commercial/industrial property classes were out of compliance and issued an order of reappraisal to the county.

## **DIVISION OF PROPERTY TAXATION**

Under the general laws of Colorado, the Property Tax Administrator (Administrator) heads the Division of Property Taxation. The Administrator is appointed by the State Board of Equalization to serve a five-year term, and until a successor is appointed and qualified.

A primary responsibility of the Division is to administer the implementation of property tax law throughout the 64 counties so that valuations are fair, uniform, and defensible, thereby ensuring that each property class contributes only its fair share of the total property tax revenue. In other words, the Division's goal is equalization of valuation and proper distribution of property taxes throughout the state.

The Division is comprised of four sections: Administrative Resources, Appraisal Standards, Exempt Properties, and State Assessed Properties.

### **Administrative Resources**

Administrative Resources prepares and publishes administrative manuals, procedures and instructions. It conducts schools and seminars regarding the administrative functions of the assessors' offices. It conducts field studies and provides statewide assistance in tax increment financing, manufactured housing, title conveyance, mapping, abstracting valuations, certification of values to taxing entities, and workforce analysis studies. The section also investigates taxpayer or taxing entity complaints. It is responsible for various studies and reports such as the residential assessment rate study and the Property Tax Administrator's Annual Report to the Governor and the General Assembly. It also coordinates with agencies having an interest in property taxation. In addition, the field staff works closely with assessors in all areas of property taxation.

### **Appraisal Standards**

Appraisal Standards prepares and publishes appraisal manuals, procedures and instructions. It holds schools and seminars regarding all areas of appraisal. It conducts field studies and provides statewide assistance in agricultural land classification, natural resources and personal property valuation, as well as assistance in the valuation of residential, commercial and industrial properties. The section assists in

reappraisal efforts, reviews internal appraisal forms used by assessors, and investigates and responds to taxpayer complaints.

### **Exempt Properties**

The Exemptions Section is responsible for determining qualification for exemption from property taxation for properties that are owned and used for religious, charitable and private school purposes. Exempt property owners are required to file annual reports with the Division to continue exemption. The section provides assistance to counties and taxpayers with inquiries about exempt properties, conducts hearings on denied exemption applications and revocations of exemption, and defends appeals of such denials and revocations.

### **State Assessed Properties**

The State Assessed Section values all public utilities, rail transportation companies, and airlines doing business in Colorado. The company valuations are then apportioned to the counties for collection of local property tax. The section conducts research projects in connection with state assessed companies; assists counties and taxpayers with inquiries on the assessment of public utilities, rail transportation companies, and airlines; hears protests of the assigned values and defends appeals of such valuations.

## **2008 VALUE INFORMATION**

### **Statewide Assessed Values for 2008**

The 2008 tax year was an "intervening," or non-reappraisal year, meaning the actual values of most properties were the same as those established for the 2007 tax year. The values generally reflect market values as of June 30, 2006, although certain classes and sub-classes of property are valued every year.

The property valued every year includes all property classified as state assessed; leasehold interests classified as oil and gas, natural resource, and producing mines; and all subclasses of personal property.

For 2008, Colorado assessed values increased by \$2.4 billion, or 2.8 percent from the prior year. Table 2 displays the percentage changes in value of each property class for 2008.

TABLE 2

VALUE CHANGES BY CLASS		
Class	2007-2008 Change	Class as % of Total
Vacant Land	-4.2%	6.5%
Residential	2.7%	46.2%
Commercial	2.7%	28.1%
Industrial	1.7%	3.3%
Agricultural	2.1%	1.0%
Natural Resources	-2.3%	0.4%
Producing Mines	38.6%	0.5%
Oil and Gas	6.3%	8.8%
State Assessed	6.8%	5.4%
<b>Net Total</b>	<b>2.8%</b>	<b>100.0%</b>

For real property classified as vacant land, residential, commercial and industrial, the increases in value reflect market value changes that occurred between June 30, 2004 and June 30, 2006. The 2.7 percent increase to the residential class and the 2.7 percent increase to the commercial class are predominantly new construction related. Much of the 4.2 percent reduction to the vacant land class was caused by the reclassification of land underlying newly constructed properties.

### Agricultural Property

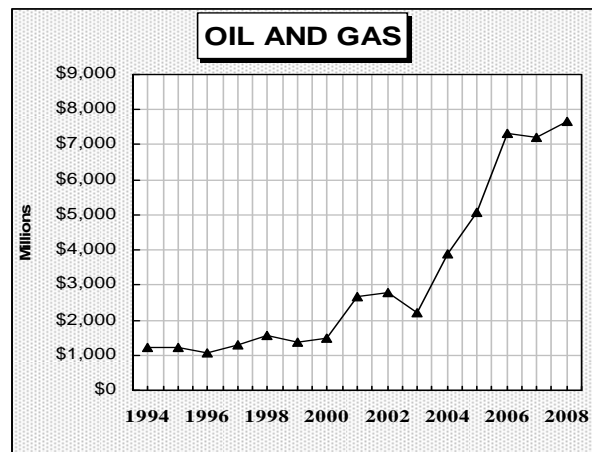
The value established for agricultural land is based on the earning or productive capacity of the land regardless of the property's market value or its highest and best use. As a result, the actual values of agricultural property are often much lower than their market values and tend to be stable from year to year.

### Oil and Gas

Since 2000, Colorado has experienced a 416.8 percent increase in the total assessed value of the oil and gas class. Among the classes of taxable property, oil and gas contains the third highest total assessed value, up from sixth highest in 2000. The 2008 total assessed value for the oil and gas class is \$7,677,144,558, which is 8.8 percent of the state's total taxable value. Approximately 94 percent of that value is concentrated in nine counties. In three of the counties, Cheyenne, Las Animas, and Rio Blanco, over 70 percent of their taxable value is classified as oil and gas. A partial history of the assessed value for the class is shown in Table 3 and the accompanying chart.

TABLE 3

2008 OIL AND GAS CLASS			
(Billions)			
Year	Value	% of Total	Change
2000	\$1.49	3.1%	7.8%
2001	\$2.65	4.5%	78.5%
2002	\$2.80	4.6%	5.6%
2003	\$2.20	3.6%	-21.4%
2004	\$3.91	6.0%	77.6%
2005	\$5.06	7.2%	29.4%
2006	\$7.33	9.8%	45.0%
2007	\$7.22	8.5%	-1.4%
2008	\$7.68	8.8%	6.3%



The value of oil and gas land is calculated as a percentage of the sale price obtained for the product at the wellhead. This makes oil and gas among the most volatile of classes because the market prices of natural gas and crude oil can change considerably from year to year. When the prices rise or fall, the production volumes of the commodities tend to increase or decrease in harmony with the changes in price, magnifying the effect of price changes on its assessed value.

According to the Colorado Oil and Gas Conservation Commission, Colorado had 37,311 active wells in the state at the close of 2008. Approximately, 83 percent of those are located in six counties: Weld, Garfield, Yuma, La Plata, Las Animas and Rio Blanco.

Although oil and gas property comprises only 8.8 percent of the state's total assessed value, 94.5 percent of the oil and gas value is concentrated in nine counties. In three of those counties, Cheyenne, Las Animas and



Rio Blanco, at least 70 percent of their taxable value is classified as oil and gas.

Table 4 lists in order the top-nine oil and gas producing counties for 2008 as well as the percentage of change in total value.

TABLE 4

HIGHEST OIL AND GAS VALUE By County 2008			
County	2008 Assessed Oil and Gas	% Change 2007-2008	% Value in O&G
Garfield	2,230,653,410	19.5%	68.4%
Weld	1,710,307,180	-2.0%	37.3%
La Plata	1,639,424,040	2.6%	55.2%
Rio Blanco	576,695,420	5.2%	70.2%
Las Animas	496,014,200	12.5%	71.7%
Yuma	176,539,180	8.5%	54.0%
Montezuma	173,272,110	-8.4%	39.6%
Mesa	140,171,810	45.5%	7.4%
Cheyenne	109,999,153	3.2%	73.8%

### Other Production Classes

The value of land in the other production classes, natural resources and producing mines, is also calculated as a percentage of the money obtained from selling the product. The value of producing mines is subject to a high level of volatility, but the class comprises only 0.5 percent of the state's total assessed value. The entire value of the class is located in thirteen counties. Of these the largest percent of the value is located in Clear Creek Grand and Teller counties. The world's largest primary producer of molybdenum, the Henderson mine, straddles the Continental Divide in Clear Creek and Grand Counties. Since 1976, the mine has produced more than 160 million tons of ore and 70 million pounds of molybdenum.

Teller County is the location of most of Colorado's gold production. The county's primary mine, the Cresson Mine, is located between Victor and Cripple Creek. The mine has produced over 22 million ounces of gold since its discovery by a local rancher in 1891. The value of mining operations in Colorado is sensitive to changes in commodity prices, owners' business choices and decisions rendered on property tax appeals. According to the United States Geological Survey's website, the average price of gold for 2008 was \$900 per ounce, up from the \$699 per ounce price listed the prior year.

### State Assessed Property

Unlike most other classes, property classified as state assessed is valued annually by the Division of Property Taxation using unitary valuation procedures. The state assessed property class is comprised of real and personal property owned by public utilities, airlines and railroads. The State Assessed Section of the Division values each company and allocates a portion of the value to Colorado. That value is then apportioned to the appropriate counties based on the location of the company's operating property or business activity.

State assessed values were up 6.8 percent in 2008. The most significant change was the \$81 million increase because of continued work on the Rockies Express pipeline. Other significant contributing factors were development of new energy generation facilities, both traditional and renewable (+\$33 million), and a strong year for the railroads and their associated private car lines (+\$34 million).

### Regional and Local Values in 2008

The 2.8 percent increase in property value, as shown in Table 2, did not occur uniformly across Colorado. At the county level, the changes in value ranged from an increase of 76.7 percent in Sedgwick County to a decrease of 6.5 percent in Moffat County.

The increase in Sedgwick's assessed value was due to the construction of a pipeline which added \$24.5 million to the county's assessed value in 2008. Ten of Colorado's 64 counties experienced a decline in total assessed value, and twenty others witnessed an increase of less than two percent.

The largest increases in residential value for 2008 occurred in western slope counties with the highest increase in Garfield County (9.45%).

See Table 5 on the following page for the changes in taxable value for each county from 2007 to 2008.

TABLE 5

## CHANGE IN TAXABLE VALUES FROM 2007 TO 2008

COUNTY	2008 ASSESSED VALUES			2007 ASSESSED VALUES			INCREASE OR DECREASE		
	Non-Residential	Residential	Total	Non-Residential	Residential	Total	Non-Res	Residential	Total
Adams	2,481,670,860	2,177,583,150	4,659,254,010	2,387,638,820	2,136,421,180	4,524,060,000	3.9%	1.9%	3.0%
Alamosa	86,802,729	45,135,218	131,937,947	84,497,550	43,989,700	128,487,250	2.7%	2.6%	2.7%
Arapahoe	3,564,535,380	4,233,898,200	7,798,433,580	3,535,970,890	4,150,158,740	7,686,129,630	0.8%	2.0%	1.5%
Archuleta	207,774,547	154,783,786	362,558,333	208,232,487	147,711,828	355,944,315	-0.2%	4.8%	1.9%
Baca	67,040,450	6,266,918	73,307,368	63,497,180	6,219,268	69,716,448	5.6%	0.8%	5.2%
Bent	57,079,949	7,751,189	64,831,138	47,085,493	7,698,196	54,783,689	21.2%	0.7%	18.3%
Boulder	2,539,048,190	3,081,353,450	5,620,401,640	2,532,243,660	3,042,062,070	5,574,305,730	0.3%	1.3%	0.8%
Broomfield	642,643,210	423,513,645	1,066,156,855	627,163,900	401,630,866	1,028,794,766	2.5%	5.4%	3.6%
Chaffee	180,376,730	156,432,480	336,809,210	178,455,400	150,415,080	328,870,480	1.1%	4.0%	2.4%
Cheyenne	145,608,562	3,416,691	149,025,253	141,496,455	3,368,017	144,864,472	2.9%	1.4%	2.9%
Clear Creek	332,249,420	101,111,140	433,360,560	256,388,560	99,594,300	355,982,860	29.6%	1.5%	21.7%
Conejos	25,201,078	23,632,484	48,833,562	25,126,487	22,997,881	48,124,368	0.3%	2.8%	1.5%
Costilla	103,372,816	8,627,937	112,000,753	106,889,231	8,522,506	115,411,737	-3.3%	1.2%	-3.0%
Crowley	29,147,280	5,686,154	34,833,434	29,245,057	5,743,663	34,988,720	-0.3%	-1.0%	-0.4%
Custer	41,114,950	46,734,610	87,849,560	42,927,050	45,071,420	87,998,470	-4.2%	3.7%	-0.2%
Delta	167,085,600	150,976,100	318,061,700	156,143,450	144,422,280	300,565,730	7.0%	4.5%	5.8%
Denver	6,385,934,820	4,512,971,310	10,898,906,130	6,262,106,900	4,395,297,930	10,657,404,830	2.0%	2.7%	2.3%
Dolores	43,679,050	10,453,711	54,132,761	42,021,367	10,063,604	52,084,971	3.9%	3.9%	3.9%
Douglas	1,965,051,220	2,709,385,800	4,674,437,020	1,901,853,000	2,649,807,160	4,551,660,160	3.3%	2.2%	2.7%
Eagle	1,095,118,100	2,093,961,050	3,189,079,150	1,154,416,500	2,018,655,620	3,173,072,120	-5.1%	3.7%	0.5%
El Paso	3,033,807,690	3,549,667,420	6,583,475,110	3,005,896,850	3,468,628,570	6,474,525,420	0.9%	2.3%	1.7%
Elbert	91,380,920	195,089,830	286,470,750	89,266,850	186,271,120	275,537,970	2.4%	4.7%	4.0%
Fremont	244,365,840	192,438,930	436,804,770	250,711,410	179,083,150	429,794,560	-2.5%	7.5%	1.6%
Garfield	2,773,860,810	487,096,360	3,260,957,170	2,412,852,480	445,051,030	2,857,903,510	15.0%	9.4%	14.1%
Gilpin	296,872,810	55,625,510	352,498,320	292,065,560	54,714,490	346,780,050	1.6%	1.7%	1.6%
Grand	452,271,070	404,564,240	856,835,310	428,840,870	375,359,700	804,200,570	5.5%	7.8%	6.5%
Gunnison	446,568,820	332,774,640	779,343,460	454,803,930	315,813,110	770,617,040	-1.8%	5.4%	1.1%
Hinsdale	27,076,320	22,830,220	49,906,540	29,594,540	22,565,230	52,159,770	-8.5%	1.2%	-4.3%
Huerfano	82,402,539	34,508,624	116,911,163	79,954,019	34,051,988	114,006,007	3.1%	1.3%	2.5%
Jackson	22,121,879	8,621,018	30,742,897	23,171,028	8,582,770	31,753,798	-4.5%	0.4%	-3.2%
Jefferson	3,028,033,030	4,330,155,840	7,358,188,870	3,001,086,160	4,290,559,020	7,291,645,180	0.9%	0.9%	0.9%
Kiowa	31,253,930	1,882,130	33,136,060	31,273,000	1,827,830	33,100,830	-0.1%	3.0%	0.1%
Kit Carson	100,291,004	19,612,253	119,903,257	89,110,899	19,406,403	108,517,302	12.5%	1.1%	10.5%
La Plata	2,380,019,680	588,495,170	2,968,514,850	2,328,562,470	546,642,460	2,875,204,930	2.2%	7.7%	3.2%
Lake	50,329,759	43,548,056	93,877,815	51,883,817	42,608,149	94,491,966	-3.0%	2.2%	-0.6%
Larimer	1,957,621,489	2,161,133,980	4,118,755,469	1,873,179,388	2,113,806,310	3,986,985,698	4.5%	2.2%	3.3%
Las Animas	638,126,690	53,414,150	691,540,840	568,652,960	52,099,600	620,752,560	12.2%	2.5%	11.4%
Lincoln	59,920,442	11,662,991	71,583,433	58,614,786	11,527,155	70,141,941	2.2%	1.2%	2.1%
Logan	184,581,870	56,680,370	241,262,240	146,427,230	56,098,620	202,525,850	26.1%	1.0%	19.1%
Mesa	1,017,955,070	863,928,800	1,881,883,870	952,271,940	829,810,890	1,782,082,830	6.9%	4.1%	5.6%
Mineral	16,158,220	14,225,050	30,383,270	16,028,410	13,654,300	29,682,710	0.8%	4.2%	2.4%
Moffat	389,060,490	54,014,430	443,074,920	421,638,530	52,255,990	473,894,520	-7.7%	3.4%	-6.5%
Montezuma	324,326,110	113,658,990	437,985,100	346,340,940	106,866,270	453,207,210	-6.4%	6.4%	-3.4%
Montrose	332,423,310	245,623,610	578,046,920	318,258,710	235,164,270	553,422,980	4.5%	4.4%	4.4%
Morgan	292,520,740	90,285,740	382,806,480	289,572,160	89,182,380	378,754,540	1.0%	1.2%	1.1%
Otero	74,309,033	42,753,738	117,062,771	72,554,742	42,280,359	114,835,101	2.4%	1.1%	1.9%
Ouray	114,367,410	82,538,920	196,906,330	115,973,260	78,479,600	194,452,860	-1.4%	5.2%	1.3%
Park	202,944,593	214,443,600	417,388,193	205,597,768	207,391,250	412,989,018	-1.3%	3.4%	1.1%
Phillips	35,628,620	13,331,500	48,960,120	34,933,340	13,187,800	48,121,140	2.0%	1.1%	1.7%
Pitkin	874,568,050	1,901,231,740	2,775,799,790	882,655,050	1,844,508,320	2,727,163,370	-0.9%	3.1%	1.8%
Prowers	96,631,100	24,019,480	120,650,580	101,154,810	23,860,190	125,015,000	-4.5%	0.7%	-3.5%
Pueblo	663,981,120	626,698,800	1,290,679,920	605,977,750	611,629,110	1,217,606,860	9.6%	2.5%	6.0%
Rio Blanco	791,064,150	30,320,300	821,384,450	691,773,592	29,012,350	720,785,942	14.4%	4.5%	14.0%
Rio Grande	108,060,800	65,380,720	173,441,520	107,206,480	64,009,710	171,216,190	0.8%	2.1%	1.3%
Routt	561,518,310	562,593,070	1,124,111,380	573,972,930	520,649,920	1,094,622,850	-2.2%	8.1%	2.7%
Saguache	44,824,520	16,777,870	61,602,390	41,051,370	16,076,570	57,127,940	9.2%	4.4%	7.8%
San Juan	41,894,440	13,654,320	55,548,760	41,717,080	13,400,050	55,117,130	0.4%	1.9%	0.8%
San Miguel	454,076,120	438,963,740	893,039,860	479,997,600	421,860,510	901,858,110	-5.4%	4.1%	-1.0%
Sedgwick	52,662,520	5,196,300	57,858,820	27,606,920	5,141,300	32,748,220	90.8%	1.1%	76.7%
Summit	596,869,311	990,515,336	1,587,384,647	615,728,387	949,698,396	1,565,426,783	-3.1%	4.3%	1.4%
Teller	269,802,130	199,497,030	469,299,160	252,990,639	196,087,850	449,078,489	6.6%	1.7%	4.5%
Washington	102,719,915	10,504,972	113,224,887	100,633,607	10,291,005	110,924,612	2.1%	2.1%	2.1%
Weld	3,319,913,650	1,259,424,810	4,579,338,460	3,246,930,110	1,216,058,280	4,462,988,390	2.2%	3.6%	2.6%
Yuma	300,717,010	26,508,680	327,225,690	273,997,590	26,171,380	300,168,970	9.8%	1.3%	9.0%
<b>Total</b>	<b>47,140,438,275</b>	<b>40,409,568,301</b>	<b>87,550,006,576</b>	<b>45,815,911,399</b>	<b>39,331,276,064</b>	<b>85,147,187,463</b>	<b>2.9%</b>	<b>2.7%</b>	<b>2.8%</b>

## **Personal Property in 2008**

In 2008, personal property accounted for 12.1 percent of Colorado's property tax base, but that percentage varied substantially from county to county. Approximately 40 percent of personal property is classified as state assessed while the remainder is valued at the local level. In 2008, 90.3 percent of the state assessed property value was personal property. All taxable personal property is assessed at 29 percent of its actual value.

Under the Colorado Constitution and statutes, certain categories of business personal property are exempt from taxation, including equipment used for agricultural purposes, business industry materials and supplies held for consumption, and for property tax years commencing prior to January 1, 2009, personal property under common ownership with a total actual value of no more than \$2,500 per county.

With the passage of HB 08-1225, business personal property listed on a single personal property schedule will be exempt from property taxes if the actual value of the personal property is no more than:

- Four thousand dollars (\$4,000) for property tax years commencing on January 1 2009 and January 1, 2010.
- Five thousand five hundred dollars (\$5,500) for property tax years commencing on January 1, 2011 and January 1, 2012.
- Seven thousand dollars (\$7,000) for property tax years commencing on January 1, 2013 and January 1, 2014.

In addition, a provision found in the constitution, allows any taxing entity to "enact cumulative uniform exemptions and credits to reduce or end business personal property taxes," § 20(8)(b), art. X, COLO. CONST.

Table 6 lists the state assessed, locally assessed and total taxable personal property by county, and the total percentage of value comprised of personal property.



TABLE 6

DISTRIBUTION OF PERSONAL PROPERTY IN 2008								
County	State Assd. Personal	% of Total	Locally Assd. Personal	% of Total	Total Personal	% of Total	Total Real	Total Assd. Value
Adams	293,938,200	6.3%	531,422,620	11.4%	825,360,820	17.7%	3,833,893,190	4,659,254,010
Alamosa	11,637,936	8.8%	7,573,037	5.7%	19,210,973	14.6%	112,726,974	131,937,947
Arapahoe	298,061,060	3.8%	468,797,600	6.0%	766,858,660	9.8%	7,031,574,920	7,798,433,580
Archuleta	9,515,255	2.6%	9,065,928	2.5%	18,581,183	5.1%	343,977,150	362,558,333
Baca	30,945,780	42.2%	2,886,035	3.9%	33,831,815	46.2%	39,475,553	73,307,368
Bent	15,296,215	23.6%	1,175,332	1.8%	16,471,547	25.4%	48,359,591	64,831,138
Boulder	136,161,040	2.4%	391,379,660	7.0%	527,540,700	9.4%	5,092,860,940	5,620,401,640
Broomfield	39,235,010	3.7%	110,485,280	10.4%	149,720,290	14.0%	916,436,565	1,066,156,855
Chaffee	13,274,890	3.9%	9,033,710	2.7%	22,308,600	6.6%	314,500,610	336,809,210
Cheyenne	12,842,363	8.6%	14,416,424	9.7%	27,258,787	18.3%	121,766,466	149,025,253
Clear Creek	10,817,050	2.5%	58,299,840	13.5%	69,116,890	15.9%	364,243,670	433,360,560
Conejos	3,484,258	7.1%	949,915	1.9%	4,434,173	9.1%	44,399,389	48,833,562
Costilla	5,009,017	4.5%	590,496	0.5%	5,599,513	5.0%	106,401,240	112,000,753
Crowley	3,219,220	9.2%	557,403	1.6%	3,776,623	10.8%	31,056,811	34,833,434
Custer	3,425,030	3.9%	580,530	0.7%	4,005,560	4.6%	83,844,000	87,849,560
Delta	21,289,590	6.7%	30,439,730	9.6%	51,729,320	16.3%	266,332,380	318,061,700
Denver	754,004,340	6.9%	820,140,300	7.5%	1,574,144,640	14.4%	9,324,761,490	10,898,906,130
Dolores	10,818,970	20.0%	2,388,935	4.4%	13,207,905	24.4%	40,924,856	54,132,761
Douglas	136,265,493	2.9%	231,934,130	5.0%	368,199,623	7.9%	4,306,237,397	4,674,437,020
Eagle	51,728,570	1.6%	89,000,880	2.8%	140,729,450	4.4%	3,048,349,700	3,189,079,150
El Paso	250,311,760	3.8%	398,199,720	6.0%	648,511,480	9.9%	5,934,963,630	6,583,475,110
Elbert	17,375,076	6.1%	4,107,670	1.4%	21,482,746	7.5%	264,988,004	286,470,750
Fremont	23,026,490	5.3%	75,037,250	17.2%	98,063,740	22.5%	338,741,030	436,804,770
Garfield	57,540,250	1.8%	449,888,370	13.8%	507,428,620	15.6%	2,753,528,550	3,260,957,170
Gilpin	5,284,471	1.5%	33,002,350	9.4%	38,286,821	10.9%	314,211,499	352,498,320
Grand	25,644,830	3.0%	37,293,970	4.4%	62,938,800	7.3%	793,896,510	856,835,310
Gunnison	9,610,360	1.2%	40,622,020	5.2%	50,232,380	6.4%	729,111,080	779,343,460
Hinsdale	610,740	1.2%	322,760	0.6%	933,500	1.9%	48,973,040	49,906,540
Huerfano	18,333,062	15.7%	6,361,815	5.4%	24,694,877	21.1%	92,216,286	116,911,163
Jackson	1,845,940	6.0%	1,221,373	4.0%	3,067,313	10.0%	27,675,584	30,742,897
Jefferson	231,445,970	3.1%	462,805,110	6.3%	694,251,080	9.4%	6,663,937,790	7,358,188,870
Kiowa	3,629,260	11.0%	1,491,530	4.5%	5,120,790	15.5%	28,015,270	33,136,060
Kit Carson	17,457,665	14.6%	4,935,271	4.1%	22,392,936	18.7%	97,510,321	119,903,257
La Plata	61,076,580	2.1%	273,779,290	9.2%	334,855,870	11.3%	2,633,658,980	2,968,514,850
Lake	9,036,525	9.6%	3,276,504	3.5%	12,313,029	13.1%	81,564,786	93,877,815
Larimer	89,016,100	2.2%	333,420,378	8.1%	422,436,478	10.3%	3,696,318,991	4,118,755,469
Las Animas	61,511,030	8.9%	111,763,990	16.2%	173,275,020	25.1%	518,265,820	691,540,840
Lincoln	19,869,368	27.8%	2,496,688	3.5%	22,366,056	31.2%	49,217,377	71,583,433
Logan	73,635,300	30.5%	20,109,800	8.3%	93,745,100	38.9%	147,517,140	241,262,240
Mesa	89,612,730	4.8%	157,994,440	8.4%	247,607,170	13.2%	1,634,276,700	1,881,883,870
Mineral	881,040	2.9%	1,901,690	6.3%	2,782,730	9.2%	27,600,540	30,383,270
Moffat	157,561,470	35.6%	54,025,680	12.2%	211,587,150	47.8%	231,487,770	443,074,920
Montezuma	35,700,810	8.2%	30,339,480	6.9%	66,040,290	15.1%	371,944,810	437,985,100
Montrose	47,307,090	8.2%	31,626,940	5.5%	78,934,030	13.7%	499,112,890	578,046,920
Morgan	123,100,000	32.2%	45,937,160	12.0%	169,037,160	44.2%	213,769,320	382,806,480
Otero	21,470,925	18.3%	7,353,157	6.3%	28,824,082	24.6%	88,238,689	117,062,771
Ouray	5,325,614	2.7%	3,594,730	1.8%	8,920,344	4.5%	187,985,986	196,906,330
Park	13,739,205	3.3%	2,843,868	0.7%	16,583,073	4.0%	400,805,120	417,388,193
Phillips	2,900,682	5.9%	3,740,420	7.6%	6,641,102	13.6%	42,319,018	48,960,120
Pitkin	22,039,370	0.8%	51,682,620	1.9%	73,721,990	2.7%	2,702,077,800	2,775,799,790
Prowers	34,945,200	29.0%	7,605,980	6.3%	42,551,180	35.3%	78,099,400	120,650,580
Pueblo	107,033,390	8.3%	116,624,010	9.0%	223,657,400	17.3%	1,067,022,520	1,290,679,920
Rio Blanco	59,915,680	7.3%	244,141,260	29.7%	304,056,940	37.0%	517,327,510	821,384,450
Rio Grande	8,772,480	5.1%	6,573,460	3.8%	15,345,940	8.8%	158,095,580	173,441,520
Routt	72,040,479	6.4%	41,528,680	3.7%	113,569,159	10.1%	1,010,542,221	1,124,111,380
Saguache	5,017,227	8.1%	864,120	1.4%	5,881,347	9.5%	55,721,043	61,602,390
San Juan	1,687,590	3.0%	804,290	1.4%	2,491,880	4.5%	53,056,880	55,548,760
San Miguel	11,960,660	1.3%	22,222,080	2.5%	34,182,740	3.8%	858,857,120	893,039,860
Sedgwick	35,069,680	60.6%	1,364,620	2.4%	36,434,300	63.0%	21,424,520	57,858,820
Summit	24,856,978	1.6%	68,377,986	4.3%	93,234,964	5.9%	1,494,149,683	1,587,384,647
Teller	13,082,577	2.8%	38,475,220	8.2%	51,557,797	11.0%	417,741,363	469,299,160
Washington	23,294,373	20.6%	4,111,141	3.6%	27,405,514	24.2%	85,819,373	113,224,887
Weld	448,042,520	9.8%	347,044,420	7.6%	795,086,940	17.4%	3,784,251,520	4,579,338,460
Yuma	31,577,150	9.6%	33,680,320	10.3%	65,257,470	19.9%	261,968,220	327,225,690
<b>TOTALS</b>	<b>4,234,164,984</b>	<b>4.8%</b>	<b>6,365,711,416</b>	<b>7.3%</b>	<b>10,599,876,400</b>	<b>12.1%</b>	<b>76,950,130,176</b>	<b>87,550,006,576</b>

## RESIDENTIAL ASSESSMENT RATE

In 1982, the electorate passed sweeping changes to the portion of the Colorado Constitution that governs the property tax system. One of these changes was the enactment of a provision known as the "Gallagher Amendment," found in § 3(1)(b), art. X, COLO. CONST.

The purpose of the Gallagher Amendment is to stabilize residential real property's share of the statewide property tax base. From 1958 to 1982, the percentage of total assessed value comprised of residential property increased from 29 to 44 percent. This occurred primarily because market value increases for residential property greatly outpaced market value increases to non-residential property.

To counter this trend, the Gallagher Amendment requires a review and potential adjustment of the residential assessment rate each time there is a year of general reassessment. This adjustment is meant to ensure that the rate of change to the state's total assessed value of residential property remains essentially the same as it is for non-residential property. The current residential assessment rate is 7.96 percent of assessed value. In contrast, the assessment rate for most classes of non-residential property is fixed at 29 percent. A history of changes to the residential assessment rate is shown in Table 7.

TABLE 7

RESIDENTIAL ASSESSMENT RATE	
Years	Rate
Prior to 1983	30%
1983-1986	21%
1987	18%
1988	16%
1989-1990	15%
1991-1992	14.34%
1993-1994	12.86%
1995-1996	10.36%
1997-1998	9.74%
1999-2000	9.74%
2001-2002	9.15%
2003-2004	7.96%
2005-2006	7.96%
2007-2008	7.96%

During years of general reassessment (odd numbered years), § 39-1-104.2(5)(c), C.R.S., requires the Property Tax Administrator to complete a documented study that is used by the General Assembly to enact a new residential assessment rate into law. The 2007 preliminary and final residential assessment rate study reports are accessible on the Division's web site at [http://www.dola.state.co.us/dpt/publications/residential\\_assessment\\_rate\\_index.htm](http://www.dola.state.co.us/dpt/publications/residential_assessment_rate_index.htm).

## Assessment Rate and Tax Burden

Table 8, on the following page, calculates the savings to residential taxpayers from the inception of the Gallagher Amendment through 2008. It does so by comparing the taxes paid by residential property owners to an estimate of the taxes they would have paid had the Gallagher Amendment not been enacted. The estimated savings to residential property owners is \$14,339,835,343. The table begins with 1987, because the residential assessment rate remained at 21 percent until 1987. The contents of each column in the table are described below.

- 1: Tax year.
- 2: Hypothetical residential assessment rate of 21 percent.
- 3: Enacted residential assessment rate for each tax year.
- 4: Average statewide mill levy for each tax year.
- 5: Hypothetical average statewide mill levy needed to generate the total true revenue if the residential assessment rate had been 21 percent. This is calculated by dividing the total true revenue received in each year (Column 10), by the total assessed value at 21 percent (Column 9).
- 6: Total true residential assessed value as reflected in the 2008 Abstracts of Assessment.
- 7: Total statewide assessed value, as reflected in the Certification of Levies and Revenue reports compiled and submitted by county commissioners.
- 8: Hypothetical total residential assessed value, had the residential rate remained at 21 percent.

- 9: Hypothetical total assessed value, had the residential assessment rate remained at 21 percent.
- 10: Total statewide property tax revenue, as reflected in the Certification of Levies and Revenue reports compiled and submitted by county commissioners.
- 11: Hypothetical property tax revenue attributable to residential property, had the residential rate remained at 21 percent. This is calculated by multiplying the hypothetical mill levy at 21 percent (Column 5) by the hypothetical residential assessed value at 21 percent (Column 8).
- 12: Total property tax revenue of residential property at the assessment rate established for each tax year. This is calculated by multiplying the total statewide residential assessed value (Column 6) by the statewide average mill levy (Column 4).
- 13: Savings to residential taxpayers, Column 11 minus Column 12.



TABLE 8

SHIFT OF PROPERTY TAX BURDEN DUE TO THE GALLAGHER AMENDMENT												
Tax Year	Res. Rate w/o Gallagher	Actual Res. Rate	Avg Actual Mill Levy	Avg. Levy at 21%	Total True Res. Assd. Value	Total True Assd. Value	Total Res. Assd. Value at 21%	Total Assd. Value at 21%	Total TRUE Revenue	Res. Revenue at 21%	Res. Revenue at True Rate	Savings to Res Taxpayers
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13
1987	21%	18.00%	61.631	57.041	\$16,082,851,000	\$33,305,709,386	\$18,763,326,167	\$35,986,184,553	\$2,052,676,764	\$1,070,273,054	\$991,208,269	\$79,064,785
1988	21%	16.00%	68.941	60.260	\$14,565,525,000	\$31,594,514,873	\$19,117,251,563	\$36,146,241,436	\$2,178,165,007	\$1,152,001,612	\$1,004,165,343	\$147,836,269
1989	21%	15.00%	76.599	64.812	\$13,246,081,000	\$29,132,506,180	\$18,544,513,400	\$34,430,938,580	\$2,231,532,285	\$1,201,903,929	\$1,014,641,762	\$187,262,167
1990	21%	15.00%	77.543	65.465	\$13,393,681,000	\$29,039,235,830	\$18,751,153,400	\$34,396,708,230	\$2,251,797,175	\$1,227,553,345	\$1,038,589,762	\$188,963,583
1991	21%	14.34%	82.883	68.395	\$12,886,606,000	\$28,254,712,020	\$18,871,598,745	\$34,239,704,765	\$2,341,834,706	\$1,290,728,562	\$1,068,080,296	\$222,648,266
1992	21%	14.34%	84.618	69.563	\$13,256,627,000	\$28,447,544,980	\$19,413,470,502	\$34,604,388,482	\$2,407,175,164	\$1,350,453,688	\$1,121,749,638	\$228,704,050
1993	21%	12.86%	84.215	65.064	\$13,373,489,410	\$28,758,329,600	\$21,838,513,033	\$37,223,353,223	\$2,421,892,140	\$1,420,896,252	\$1,126,252,788	\$294,643,464
1994	21%	12.86%	84.423	65.084	\$13,970,427,000	\$29,761,160,460	\$22,813,294,479	\$38,604,027,939	\$2,512,514,138	\$1,484,786,121	\$1,179,419,579	\$305,366,542
1995	21%	10.36%	82.287	55.600	\$15,155,126,840	\$32,428,020,970	\$30,719,851,703	\$47,992,745,833	\$2,668,403,530	\$1,708,028,147	\$1,247,069,440	\$460,958,707
1996	21%	10.36%	82.951	55.931	\$15,788,272,000	\$33,563,472,960	\$32,003,254,054	\$49,778,455,014	\$2,784,139,391	\$1,789,961,545	\$1,309,660,357	\$480,301,188
1997	21%	9.74%	78.773	51.464	\$17,673,602,010	\$38,502,250,770	\$38,105,302,075	\$58,933,950,835	\$3,032,955,892	\$1,961,037,718	\$1,392,210,956	\$568,826,762
1998	21%	9.74%	80.042	52.162	\$18,452,519,220	\$39,910,771,429	\$39,784,692,363	\$61,242,944,572	\$3,194,557,668	\$2,075,251,197	\$1,476,985,652	\$598,265,545
1999	21%	9.74%	74.927	48.756	\$21,633,354,370	\$46,590,805,330	\$46,642,755,829	\$71,600,206,789	\$3,490,910,908	\$2,274,095,459	\$1,620,923,103	\$653,172,356
2000	21%	9.74%	75.733	49.182	\$22,729,547,584	\$48,673,508,510	\$49,006,211,423	\$74,950,172,349	\$3,686,192,349	\$2,410,218,895	\$1,721,377,541	\$688,841,354
2001	21%	9.15%	70.416	43.633	\$27,699,298,175	\$58,440,166,120	\$63,572,159,746	\$94,313,027,691	\$4,115,123,689	\$2,773,819,343	\$1,950,474,231	\$823,345,112
2002	21%	9.15%	72.350	44.696	\$28,882,504,491	\$60,456,523,380	\$66,287,715,225	\$97,861,734,114	\$4,374,011,505	\$2,962,784,501	\$2,089,640,619	\$873,143,882
2003	21%	7.96%	74.335	41.705	\$29,523,577,562	\$61,816,965,320	\$77,888,835,277	\$110,182,223,035	\$4,595,136,111	\$3,248,344,331	\$2,194,621,762	\$1,053,722,569
2004	21%	7.96%	74.969	42.274	\$30,470,840,993	\$64,541,293,358	\$80,387,897,092	\$114,458,349,457	\$4,838,584,603	\$3,398,298,534	\$2,284,362,993	\$1,113,935,541
2005	21%	7.96%	73.284	41.409	\$33,110,601,388	\$70,466,165,655	\$87,352,089,089	\$124,707,653,356	\$5,164,064,927	\$3,617,194,674	\$2,426,487,858	\$1,190,706,817
2006	21%	7.96%	73.480	41.859	\$34,350,208,817	\$74,489,498,610	\$90,622,410,196	\$130,761,699,989	\$5,473,511,765	\$3,793,334,198	\$2,524,064,138	\$1,269,270,060
2007	21%	7.96%	72.882	41.469	\$39,331,276,064	\$85,060,615,128	\$103,763,416,752	\$149,492,755,816	\$6,199,362,883	\$4,302,998,302	\$2,866,530,563	\$1,436,467,739
2008	21%	7.96%	72.748	41.405	\$40,409,568,301	\$87,449,633,973	\$106,608,157,578	\$153,648,223,250	\$6,361,812,205	\$4,414,115,983	\$2,939,727,397	\$1,474,388,587
Estimated total savings to residential taxpayers from inception to 2008 =												\$14,339,835,343

TABLE 9

COLORADO ASSESSED VALUES							
ASSESSED VALUES				DISTRIBUTION OF VALUE			
Year	Total	Residential	Non-Residential	Year	Total	Residential	Non-Residential
1983	\$17,185,698,000	\$7,424,951,000	\$9,760,747,000	1983	100.0%	43.2%	56.8%
1984	\$17,905,089,000	\$7,921,865,470	\$9,983,223,530	1984	100.0%	44.2%	55.8%
1985	\$18,730,104,000	\$8,327,520,240	\$10,402,583,760	1985	100.0%	44.5%	55.5%
1986	\$19,216,096,000	\$8,646,958,180	\$10,569,137,820	1986	100.0%	45.0%	55.0%
1987	\$33,261,142,000	\$16,082,850,600	\$17,178,291,400	1987	100.0%	48.4%	51.6%
1988	\$31,660,568,730	\$14,565,865,580	\$17,094,703,150	1988	100.0%	46.0%	54.0%
1989	\$29,131,941,640	\$13,247,498,311	\$15,884,443,329	1989	100.0%	45.5%	54.5%
1990	\$29,082,011,770	\$13,393,681,560	\$15,688,330,210	1990	100.0%	46.1%	53.9%
1991	\$28,285,335,860	\$12,886,606,790	\$15,398,729,070	1991	100.0%	45.6%	54.4%
1992	\$28,490,629,640	\$13,256,627,100	\$15,234,002,540	1992	100.0%	46.5%	53.5%
1993	\$28,820,035,320	\$13,373,489,410	\$15,446,545,910	1993	100.0%	46.4%	53.6%
1994	\$29,831,046,660	\$13,970,427,000	\$15,860,619,660	1994	100.0%	46.8%	53.2%
1995	\$32,469,922,680	\$15,155,131,610	\$17,314,791,070	1995	100.0%	46.7%	53.3%
1996	\$33,606,775,890	\$15,788,272,000	\$17,818,503,890	1996	100.0%	47.0%	53.0%
1997	\$38,536,664,720	\$17,673,602,020	\$20,863,062,700	1997	100.0%	45.9%	54.1%
1998	\$40,165,596,490	\$18,452,519,220	\$21,713,077,270	1998	100.0%	45.9%	54.1%
1999	\$46,711,921,473	\$21,633,354,370	\$25,078,567,103	1999	100.0%	46.3%	53.7%
2000	\$48,757,383,218	\$22,729,547,584	\$26,027,835,634	2000	100.0%	46.6%	53.4%
2001	\$58,812,663,875	\$27,699,298,175	\$31,113,365,700	2001	100.0%	47.1%	52.9%
2002	\$60,564,946,027	\$28,888,969,314	\$31,675,976,713	2002	100.0%	47.7%	52.3%
2003	\$61,949,204,975	\$29,523,577,562	\$32,425,627,413	2003	100.0%	47.7%	52.3%
2004	\$64,630,921,990	\$30,470,840,993	\$34,160,080,997	2004	100.0%	47.1%	52.9%
2005	\$70,625,603,899	\$33,110,601,388	\$37,515,002,511	2005	100.0%	46.9%	53.1%
2006	\$74,549,449,375	\$34,350,208,817	\$40,199,240,558	2006	100.0%	46.1%	53.9%
2007	\$85,147,187,463	\$39,331,276,064	\$45,815,911,399	2007	100.0%	46.2%	53.8%
2008	\$87,550,006,576	\$40,409,568,301	\$47,140,438,275	2008	100.0%	46.2%	53.8%

COLORADO ACTUAL VALUES							
ACTUAL VALUES				DISTRIBUTION OF VALUE			
Year	Total	Residential	Non-Residential	Year	Total	Residential	Non-Residential
1983	\$66,459,485,820	\$35,356,909,524	\$31,102,576,296	1983	100.0%	53.2%	46.8%
1984	\$69,718,797,755	\$37,723,168,905	\$31,995,628,850	1984	100.0%	54.1%	45.9%
1985	\$72,958,307,363	\$39,654,858,286	\$33,303,449,078	1985	100.0%	54.4%	45.6%
1986	\$75,118,950,953	\$41,175,991,333	\$33,942,959,620	1986	100.0%	54.8%	45.2%
1987	\$146,891,450,388	\$89,349,170,000	\$57,542,280,388	1987	100.0%	60.8%	39.2%
1988	\$148,225,023,177	\$91,036,659,875	\$57,188,363,302	1988	100.0%	61.4%	38.6%
1989	\$141,342,075,160	\$88,316,655,407	\$53,025,419,753	1989	100.0%	62.5%	37.5%
1990	\$141,421,555,163	\$89,291,210,400	\$52,130,344,763	1990	100.0%	63.1%	36.9%
1991	\$140,967,103,411	\$89,864,761,437	\$51,102,341,974	1991	100.0%	63.7%	36.3%
1992	\$142,906,267,259	\$92,445,098,326	\$50,461,168,932	1992	100.0%	64.7%	35.3%
1993	\$155,096,689,828	\$103,992,919,207	\$51,103,770,621	1993	100.0%	67.1%	32.9%
1994	\$160,946,706,538	\$108,634,735,614	\$52,311,970,923	1994	100.0%	67.5%	32.5%
1995	\$203,663,083,533	\$146,285,054,151	\$57,378,029,382	1995	100.0%	71.8%	28.2%
1996	\$211,793,556,887	\$152,396,447,876	\$59,397,109,011	1996	100.0%	72.0%	28.0%
1997	\$250,804,220,896	\$181,453,819,507	\$69,350,401,389	1997	100.0%	72.3%	27.7%
1998	\$261,128,074,968	\$189,450,916,016	\$71,677,158,951	1998	100.0%	72.6%	27.4%
1999	\$306,002,830,219	\$222,108,361,088	\$83,894,469,131	1999	100.0%	72.6%	27.4%
2000	\$320,312,771,175	\$233,362,911,540	\$86,949,859,635	2000	100.0%	72.9%	27.1%
2001	\$404,716,127,139	\$302,724,570,219	\$101,991,556,920	2001	100.0%	74.8%	25.2%
2002	\$419,294,563,373	\$315,726,440,590	\$103,568,122,783	2002	100.0%	75.3%	24.7%
2003	\$478,546,478,821	\$370,899,215,603	\$107,647,263,218	2003	100.0%	77.5%	22.5%
2004	\$492,572,877,562	\$382,799,509,962	\$109,773,367,599	2004	100.0%	77.7%	22.3%
2005	\$534,826,428,655	\$415,962,328,995	\$118,864,099,660	2005	100.0%	77.8%	22.2%
2006	\$554,757,341,157	\$431,535,286,646	\$123,222,054,512	2006	100.0%	77.8%	22.2%
2007	\$636,895,128,388	\$494,111,508,342	\$142,783,620,046	2007	100.0%	77.6%	22.4%
2008	\$654,555,841,028	\$507,657,893,229	\$146,897,947,799	2008	100.0%	77.6%	22.4%

The total assessed values in Table 9 may not match the values in Table 8, as they originate from different sources. The values in Table 9 were taken from the 2008 Abstracts of Assessment while the total assessed value listed in Table 8 is from the Certification of Levies and Revenues.



Table 9 illustrates the effect of Gallagher on the statewide assessed value of residential property since 1983. As the table shows, the percentage of actual value attributable to residential property has increased dramatically during the last 25 years, from 53.2 percent in 1983 to 77.6 percent today. At the same time, the adjustment of the residential assessment rate caused the percentage of total assessed value comprised of residential property to remain essentially stable.

## **PROTESTS, APPEALS, AND ABATEMENTS**

### **Protests and Appeals**

Colorado statutes mandate a process that allows taxpayers the opportunity to challenge the actual value established by the assessor. The process begins with the taxpayer's protest to the assessor. Upon receiving a protest, the assessor reviews the issues raised, and either adjusts or maintains the actual value established for the property. Taxpayers who disagree with the assessor's decision can appeal to the county board of equalization. Taxpayers who disagree with the county board's decision have three choices for further appeal. They can appeal to the State Board of Assessment Appeals (BAA), district court, or binding arbitration. Decisions of the BAA and district court can be appealed to the Colorado Court of Appeals and ultimately to the Colorado Supreme Court. Decisions of an arbitrator are final.

Taxpayers can protest and appeal in both reappraisal (odd numbered years) and intervening years (even numbered years). However, the number of protests and appeals are typically higher in the years of reappraisal.

The number of protests and appeals varies greatly from county to county. During 2007 (the last reappraisal year), Jefferson County received the greatest number of protests with 12,974 while Kiowa County received none. For many counties, the protest process places a significant strain on the resources of the assessor's office. Table 10 lists the protests and county board appeals for each county during the last three reappraisal years, organized according to the county officer pay categories established in

§ 30-2-102, C.R.S. For the purpose of this table, the Cities and Counties of Denver and Broomfield are placed in category one. Table 11 provides a statistical summary of protests and appeals.

### **Abatements**

Abatement petitions can be filed for taxes erroneously or illegally levied, for overvaluation, or for an assessment error. Taxpayers who filed a protest can file an abatement petition only for a clerical error or an illegality, but not for an overvaluation. Abatement petitions can be filed up through the first working day in January two years after the date the taxes were levied. Because abatement petitions are filed on taxes already levied, the abated or refunded taxes constitute lost revenue to the affected local governments; however, § 39-10-114(1)(a)(I)(B), C.R.S., and case law, allow local governments to recover abated taxes through an increase in mill levies. Table 12 displays the taxes abated during 2006, 2007, and 2008.

TABLE 10

PROTESTS AND APPEALS												
County	Protests to Assessor				Protests to Assessor (PER EMPLOYEE)				Appeals to CBOE			
Category 1	2001	2003	2005	2007	2001	2003	2005	2007	2001	2003	2005	2007
Adams	4,558	9,295	8,404	6,242	109	227	195	145	1,059	2,459	1,488	964
Arapahoe	9,836	7,442	5,119	9,679	141	103	71	138	1,040	2,593	1,337	2,758
Boulder	8,618	10,910	6,741	9,682	180	235	145	206	978	1,620	648	230
Broomfield		1,260	939	1,084		144	104	120		206	111	178
Denver	7,521	9,356	5,784	12,292	74	108	70	154	1,742	2,441	1,807	2,456
Douglas	6,730	7,030	6,360	8,608	143	143	127	172	2,001	2,115	2,512	2,508
El Paso	6,240	5,300	7,000	5,999	106	90	113	105	1,210	1,230	1,440	851
Jefferson	9,566	14,419	8,285	12,974	139	257	145	228	1,208	2,271	1,557	1,741
Larimer	13,422	17,275	14,783	11,685	274	353	279	225	916	2,681	2,035	1,161
Pueblo	794	690	733	1,272	23	20	23	42	5	12	3	10
Weld	4,969	5,075	4,626	4,340	121	134	119	122	133	380	468	396
Category 2												
Eagle	4,985	2,968	2,550	5,869	208	135	116	293	1,325	947	495	1,548
Fremont	1,498	669	1,221	1,636	136	51	94	126	31	0	17	145
Garfield	1,230	1,774	1,166	981	88	111	69	59	35	704	339	345
La Plata	721	1,854	1,466	2,772	42	103	75	135	35	57	57	60
Mesa	4,143	3,011	2,658	3,235	153	112	95	112	421	311	2,658	213
Pitkin	1,543	1,733	963	2,118	171	173	96	223	416	530	181	387
Summit	4,236	4,532	3,283	3,365	212	239	173	173	343	587	300	374
Category 3												
Alamosa	277	181	151	248	35	23	19	31	28	18	7	9
Archuleta	750	1,041	1,303	2,207	94	110	118	276	9	268	32	500
Chaffee	1,551	1,128	1,177	1,011	141	125	131	112	118	110	164	101
Clear Creek	976	1,017	779	732	174	182	139	146	41	37	12	41
Delta	845	731	609	780	89	66	57	59	66	24	14	32
Gilpin	218	1,062	378	696	44	266	63	99	6	24	10	47
Grand	1,862	1,209	1,047	2,431	177	114	95	221	152	100	91	321
Gunnison	1,624	1,516	943	2,200	148	138	86	220	86	146	64	182
Las Animas	738	573	403	445	74	57	40	45	15	18	4	23
Logan	364	246	231	255	33	25	26	28	18	23	13	20
Moffat	181	295	289	454	26	42	48	76	9	38	6	13
Montrose	575	605	645	928	52	53	61	81	37	88	97	186
Morgan	320	382	504	466	27	29	46	42	5	13	29	9
Otero	204	185	103	107	26	21	13	13	4	2	6	1
Park	2,100	3,029	2,324	2,270	191	263	186	197	170	184	348	172
Rio Blanco	123	151	77	263	19	25	13	44	1	6	0	145
Routt	1,899	1,552	837	1,533	181	148	73	153	547	131	150	352
San Miguel	937	1,041	761	657	117	116	109	73	85	196	134	68
Teller	1,737	1,523	917	1,942	109	95	61	129	338	99	110	323
Category 4												
Custer	163	192	98	173	41	38	20	35	1	2	1	0
Elbert	449	639	612	236	32	46	47	18	18	21	175	15
Huerfano	211	173	127	186	35	29	21	27	9	42	2	4
Kit Carson	232	200	194	271	58	50	49	90	8	3	5	1
Lake	649	247	246	476	130	41	41	95	58	28	7	16
Montezuma	569	554	486	622	57	55	54	69	30	23	71	83
Ouray	267	359	413	463	67	120	103	116	13	22	21	55
Prowers	880	350	350	150	147	58	70	30	2	0	0	0
Rio Grande	430	349	332	1,086	61	50	83	136	10	1	4	25
Washington	50	61	90	15	10	12	18	3	1	36	1	0
Yuma	353	372	256	148	59	74	51	27	0	102	1	0
Category 5												
Baca	25	34	5	20	6	10	1	6	0	0	0	0
Bent	75	92	134	126	25	23	34	32	1	2	2	0
Cheyenne	68	36	60	128	23	12	20	51	3	1	3	0
Conejos	297	427	137	113	66	95	137	25	3	0	0	0
Costilla	194	101	54	765	39	20	11	153	3	9	5	194
Crowley	25	46	11	5	25	46	11	5	0	2	0	1
Hinsdale	142	133	81	319	71	67	41	80	6	10	6	1
Lincoln	41	38	24	15	8	8	5	3	0	1	0	0
Phillips	97	39	37	13	32	13	12	4	5	1	0	0
Saguache	94	208	43	133	24	38	9	27	1	2	0	1
San Juan	24	41	56	59	16	27	56	59	0	0	2	10
Category 6												
Dolores	89	57	112	199	27	18	37	66	2	1	0	1
Jackson	60	10	1	2	30	5	1	2	5	2	1	2
Kiowa	2	0	0	0	1	0	0	0	0	0	0	0
Mineral	300	10	6	35	226	7	4	18	4	1	0	1
Sedgwick	58	7	14	18	29	4	7	6	0	0	14	0

TABLE 11

<b>PROTESTS AND APPEALS</b>			
<b>Assessors</b>	<b>2003</b>	<b>2005</b>	<b>2007</b>
Total Parcels	2,249,070	2,268,488	2,342,391
Parcels/Schedules Protested	126,835	99,538	129,234
Protests as a Percent of Total Parcels	5.2%	4.4%	5.5%
Percent Change from Prior Reappraisal	11.5%	-21.5%	29.8%
<b>County Boards of Equalization (CBOE)</b>			
Parcels/Schedules Appealed to CBOE	22,981	19,065	19,280
Percent of CBOE Appeals to Protests	18.1%	19.2%	14.9%
<b>Board of Assessment Appeals (BAA)</b>			
BAA Dockets	2,303	1,797	2,518
Abatements	177	132	250
Appeals	2,126	1,665	2,268
Percent of BAA Appeals to CBOE Appeals	10.0%	9.4%	13.1%
Percent of BAA Appeals to Protests	1.8%	1.8%	1.9%
Percent of BAA Appeals to Total Parcels	0.1%	0.1%	0.1%
<b>Additional Assessor Costs</b>			
Dollars of Overtime Paid	\$184,007	\$93,226	\$113,288
Hours of Compensation Time Granted	7,131	2,825	3,317
<b>Parcels Protested Per Assessor's Employee</b>			
Average Number Protested Per Employee	137	109	94
Maximum Number Protested Per Employee	353	279	293
Minimum Number Protested Per Employee	0	0	0
<b>Parcels Protested Per Employee – Frequency Distribution</b>			
0 – 50	27	28	24
51 – 100	11	19	13
101 – 200	18	16	19
201 – 300	6	1	8
301 – 400	2	0	0
Counties Reporting	64	64	64
Parcel count derived from county Abstracts of Assessment. Includes condominium units.			
Overtime/comp time figures not available from all counties.			
Board of Assessment Appeal (BAA) dockets include appeals from the County Board of Equalization (CBOE) and county abatement decisions			



TABLE 12

ABATEMENTS, REFUNDS AND CALCULATION OF TAXES									
County	2008 Abatement Amounts	2008 Abatement Counts	2008 Average Abated	2007 Abatement Amounts	2007 Abatement Counts	2007 Average Abated	2006 Abatement Amounts	2006 Abatement Counts	2006 Average Abated
Adams	\$1,500,009	1,133	\$1,324	\$2,921,051	1,159	\$2,520	\$3,450,893	1,281	\$2,694
Alamosa	\$7,926	38	\$209	\$32,057	228	\$141	\$7,806	21	\$372
Arapahoe	\$9,076,676	1,153	\$7,872	\$7,620,926	3,303	\$2,307	\$12,522,341	1,443	\$8,678
Archuleta	\$101,887	97	\$1,050	\$35,048	69	\$508	\$32,116	47	\$683
Baca	\$10,617	41	\$259	\$807	23	\$35	\$12,298	80	\$154
Bent	\$7,607	119	\$64	\$3,422	32	\$107	\$14,105	33	\$427
Boulder	\$1,557,669	697	\$2,235	\$1,167,503	1,006	\$1,161	\$3,211,793	1,171	\$2,743
Broomfield	\$1,809,958	237	\$7,637	\$2,099,258	119	\$17,641	\$582,649	527	\$1,106
Chaffee	\$35,440	74	\$479	\$59,382	92	\$645	\$169,694	138	\$1,230
Cheyenne	\$559	13	\$43	\$7	3	\$2	\$2,288	18	\$127
Clear Creek	\$65,408	257	\$255	\$53,355	85	\$628	\$65,323	56	\$1,166
Conejos	\$26,151	108	\$242	\$7,279	52	\$140	\$11,461	61	\$188
Costilla	\$91,212	57	\$1,600	\$24,187	12	\$2,016	\$1,544	23	\$67
Crowley	\$505	3	\$168	\$681	3	\$227	\$319	3	\$106
Custer	\$5,070	16	\$317	\$846	5	\$169	\$8,117	20	\$406
Delta	\$76,841	96	\$800	\$40,959	105	\$390	\$36,308	107	\$339
Denver	\$9,903,961	1,937	\$5,113	\$11,084,772	2,145	\$5,168	\$7,800,131	1,821	\$4,283
Dolores	\$11,263	23	\$490	\$4,488	26	\$173	\$8,334	22	\$379
Douglas	\$6,063,080	898	\$6,752	\$6,196,914	925	\$6,699	\$2,730,744	610	\$4,477
Eagle	\$3,648,808	949	\$3,845	\$1,437,745	255	\$5,638	\$575,475	331	\$1,739
Elbert	\$307,941	102	\$3,019	\$170,847	93	\$1,837	\$92,550	96	\$964
El Paso	\$4,614,242	3,493	\$1,321	\$2,164,622	1,269	\$1,706	\$1,774,754	1,130	\$1,571
Fremont	\$125,300	319	\$393	\$83,269	289	\$288	\$182,753	185	\$988
Garfield	\$447,335	317	\$1,411	\$164,555	115	\$1,431	\$483,423	110	\$4,395
Gilpin	\$22,963	49	\$469	\$17,708	16	\$1,107	\$5,440	17	\$320
Grand	\$97,872	165	\$593	\$41,523	62	\$670	\$86,387	164	\$527
Gunnison	\$78,804	71	\$1,110	\$185,214	74	\$2,503	\$50,972	97	\$525
Hinsdale	\$8,478	18	\$471	\$7,264	2	\$3,632	\$5,867	22	\$267
Huerfano	\$280,061	48	\$5,835	\$311,731	388	\$803	\$113,373	512	\$221
Jackson	\$1,197	7	\$171	\$21,357	64	\$334	\$11,793	12	\$983
Jefferson	\$6,595,429	1,867	\$3,533	\$5,351,018	1,974	\$2,711	\$5,249,056	2,291	\$2,291
Kiowa	\$1,991	6	\$332	\$1,030	10	\$103	\$370	3	\$123
Kit Carson	\$57,979	263	\$220	\$4,422	28	\$158	\$80,509	382	\$211
Lake	\$19,071	93	\$205	\$41,710	90	\$463	\$7,956	25	\$318
La Plata	\$885,635	551	\$1,607	\$1,733,339	855	\$2,027	\$54,479	218	\$250
Larimer	\$1,209,725	1,542	\$785	\$1,511,883	2,311	\$654	\$1,183,144	1,700	\$696
Las Animas	\$10,716	36	\$298	\$5,872	24	\$245	\$47,194	93	\$507
Lincoln	\$30,429	19	\$1,602	\$3,066	43	\$71	\$13,047	15	\$870
Logan	\$10,034	29	\$346	\$659,918	91	\$7,252	\$10,802	46	\$235
Mesa	\$184,150	281	\$655	\$341,920	366	\$934	\$408,993	303	\$1,350
Mineral	\$696	4	\$174	\$59	3	\$20	\$2,836	13	\$218
Moffat	\$218,173	510	\$428	\$68,484	50	\$1,370	\$9,934	84	\$118
Montezuma	\$219,728	334	\$658	\$85,288	154	\$554	\$51,936	93	\$558
Montrose	\$65,673	78	\$842	\$99,072	84	\$1,179	\$127,006	125	\$1,016
Morgan	\$10,662	23	\$464	\$565,224	33	\$17,128	\$20,141	100	\$201
Otero	\$10,839	21	\$516	\$52,780	60	\$880	\$37,117	32	\$1,160
Ouray	\$185,148	66	\$2,805	\$82,802	31	\$2,671	\$29,004	39	\$744
Park	\$84,878	355	\$239	\$192,954	1,268	\$152	\$82,220	399	\$206
Phillips	\$357	4	\$89	\$1,476	6	\$246	\$661	10	\$66
Pitkin	\$240,001	98	\$2,449	\$237,857	128	\$1,858	\$208,660	89	\$2,344
Prowers	\$686	17	\$40	\$1,825	32	\$57	\$224,754	152	\$1,479
Pueblo	\$233,174	276	\$845	\$196,264	311	\$631	\$300,521	187	\$1,607
Rio Blanco	\$127,267	60	\$2,121	\$7,656	62	\$123	\$13,443	49	\$274
Rio Grande	\$134,194	57	\$2,354	\$9,678	48	\$202	\$43,660	55	\$794
Routt	\$321,807	373	\$863	\$215,576	304	\$709	\$168,446	135	\$1,248
Saguache	\$10,302	40	\$258	\$44,873	673	\$67	\$10,786	58	\$186
San Juan	\$1,936	3	\$645	\$95	1	\$95	\$642	1	\$642
San Miguel	\$112,586	198	\$569	\$121,842	89	\$1,369	\$374,231	194	\$1,929
Sedgwick	\$1,969	5	\$394	\$3,072	7	\$439	\$1,884	22	\$86
Summit	\$465,628	233	\$1,998	\$307,447	376	\$818	\$364,344	283	\$1,287
Teller	\$84,483	63	\$1,341	\$57,044	57	\$1,001	\$108,690	97	\$1,121
Washington	\$697	13	\$54	\$6,050	14	\$432	\$29,216	52	\$562
Weld	\$1,215,689	1,068	\$1,138	\$1,812,001	1,459	\$1,242	\$1,929,729	706	\$2,733
Yuma	\$13,954	56	\$249	\$391,790	494	\$793	\$425,770	712	\$598
Totals:	\$52,750,526	21,177	\$2,491	\$50,174,164	23,555	\$2,130	\$45,672,232	18,921	\$2,414

## **SENIOR CITIZEN AND DISABLED VETERAN EXEMPTION**

In 2000, voters enacted Section 3.5, Article X of the Colorado Constitution, creating a property tax exemption for qualifying senior citizens and their surviving spouses. Voters expanded the program in 2006 to include qualifying disabled veterans. For both groups, the exemption reduces the actual value of a residential property by 50 percent, up to a maximum reduction of \$100,000.

To qualify as a senior citizen, the applicant on January 1 must be at least 65 years old and must have owned and occupied the property for at least 10 consecutive years as his or her primary residence. To qualify as a disabled veteran, the applicant must be 100 percent permanently disabled through a service connected disability and must have owned and occupied the property since January 1.

Applications for the senior citizen exemption are filed with the county assessor no later than July 15, and applications for the disabled veteran exemption are filed with the Colorado Division of Veterans Affairs, Department of Military and Veterans Affairs (DMVA), no later than July 1. If approved by the DMVA, the veteran's application is forwarded to the county assessor for further processing and approval. Once approved, the senior citizen or disabled veteran exemption remains in effect from year to year until a change in ownership or occupancy triggers its removal. Each year, the assessor is required to mail a notice to all residential property owners explaining the exemption programs.

In 2008, 163,619 properties received the senior citizen exemption, and 1,977 received the disabled veteran exemption. These figures were up from 155,798 senior exemptions and 1,301 disabled veteran exemptions for tax year 2007.

No later than October 10, the assessor is required to send the Division of Property Taxation an electronic list of the exemptions granted, including the names and social security numbers of each person occupying the property. The Division uses the data to identify individuals who were granted either exemption on more than one property, and denies the exemptions on each property. In 2008, the Division denied exemptions on 40 properties owned by 26 applicants.

The senior and disabled veteran exemption program does not result in a loss of revenue to local governments. Instead, the state reimburses the local governments for the tax revenue exempted. No later than April 1, county treasurers send the State Treasurer an itemized list of the exemptions granted and taxes exempted. No later than April 15, the State Treasurer reimburses the local governments for the lost revenue. In April 2009, the State Treasurer reimbursed local governments \$85,549,362 for exemptions granted for tax year 2008.

## **POSSESSORY INTERESTS**

In 2001 the Colorado Supreme Court ruled that certain possessory interests are subject to ad valorem taxation in Colorado. A possessory interest is defined as a private property interest in government-owned property or the right to the occupancy and use of any benefit in government-owned property that has been granted under lease, permit, license, concession, contract or other agreement. The use of the property must be in connection with a business conducted for profit.

Taxable possessory interests may include but are not limited to:

1. Private concessionaires utilizing government owned land, improvements, or personal property unless operating pursuant to a management contract.
2. Government land and improvements used in the operation of a farm or ranch.
3. Government land, improvements, and/or personal property used in the operation of ski or recreational areas.
4. Land underlying privately owned cabins or other residential property located on government land that is rented commercially.
5. Recreational use of lakes, reservoirs, and rivers in a revenue-generating capacity.
6. Recreational use of land for outfitting purposes in a revenue-generating capacity.
7. Land, improvements, and personal property at a tax-exempt airport.